## Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

## Listing of Claims:

1. (currently amended) A compound of formula (1):

## wherein[[:]]

R<sup>1</sup> is independently selected from C<sub>1-6</sub>alkyl, C<sub>5-7</sub>cycloalkyl, C<sub>5-7</sub>cycloalkylC<sub>1-3</sub>alkyl, C<sub>1-6</sub>alkoxy, C<sub>5-7</sub>cycloalkoxy, C<sub>5-7</sub>cycloalkylC<sub>1-3</sub>alkoxy, heterocyclyl, heterocyclylC<sub>1-3</sub>alkyl, heterocyclyloxy or heterocyclylC<sub>1-3</sub>alkoxy (wherein each of these groups is substituted on carbon by with 1, 2, or 3 hydroxy groups, provided that there is no more than one hydroxy group on the same carbon atom and a ring carbon atom adjacent to a ring heteroatom is not substituted by a hydroxy group), and groups of the formula A or A'[[:]]

wherein x is 0 or 1, r is 0, 1, 2, or 3, s is 1 or 2 and u is 1 or 2;

provided that in (A) the hydroxy group is not a substituent on the ring carbon adjacent to the ring oxygen;

 $R^2$  is phenyl or heteroaryl (each of which is optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, difluoromethyl, fluoromethyl,  $C_{1-3}$  alkoxy,  $C_{1-3}$  alkanoyl, carbamoyl,  $N-C_{1-3}$  alkylcarbamoyl,  $N-C_{1-3}$  alkylcarbamoyl,

sulfamoyl,  $N-C_{1-3}$ alkylsulfamoyl,  $N,N-di-C_{1-3}$ alkylsulfamoyl, and groups of the formulae B and B'[[:]]

$$(OH)_x$$
 $(OH)_x$ 
 $(B)$ 
 $(B)$ 
 $(B)$ 

wherein x is 0 or 1, r is 0, 1, 2, or 3, s is 1 or 2 and u is 1 or 2;

provided that the hydroxy group is not a substituent on the ring carbon adjacent to the ring oxygen);

m is 0, 1, or 2; and

 $R^3$  is independently selected from hydrogen, halo, nitro, cyano, hydroxy, carboxy, carbamoyl,  $C_{1-4}$ alkyl,  $C_{2-4}$ alkenyl,  $C_{2-4}$ alkynyl,  $C_{1-4}$ alkoxy,  $C_{1-4}$ alkanoyl, fluoromethyl, difluoromethyl, trifluoromethyl, and trifluoromethoxy;

provided that when R<sup>1</sup> is of the formula A or A', then R<sup>2</sup> does not contain a group of the formula B or B', and when R<sup>2</sup> is of the formula B or B', then R<sup>1</sup> does not contain a group of the formula A or A';

or a pharmaceutically acceptable salt or prodrug thereof.

2. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R<sup>1</sup> is selected from C<sub>1-6</sub>alkyl, C<sub>5-7</sub>cycloalkyl, C<sub>5-7</sub>cycloalkylmethyl, C<sub>1-6</sub>alkoxy, C<sub>5-7</sub>cycloalkylC<sub>1-3</sub>methoxy, heterocyclyl, heterocyclylmethyl, heterocyclyloxy and heterocyclylmethoxy (wherein each of these groups is substituted by with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom), or R<sup>1</sup> is of the formula A or A';

R<sup>2</sup> is a phenyl or heteroaryl group (each of which is optionally substituted by-with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C<sub>1-3</sub>alkylcarbamoyl, N,N-di-C<sub>1-3</sub>alkylcarbamoyl, sulfamoyl, N-C<sub>1-3</sub>alkylsulfamoyl, N,N-di-C<sub>1-3</sub>alkylsulfamoyl, a group of the formula B, and a group of the formula B'); or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

3. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R<sup>1</sup> is selected from C<sub>1-6</sub>alkyl, C<sub>5-7</sub>cycloalkyl, C<sub>5-7</sub>cycloalkylmethyl, C<sub>1-6</sub>alkoxy, C<sub>5-7</sub>cycloalkoxy, and C<sub>5-7</sub>cycloalkylC<sub>1-3</sub>methoxy, [[(]]wherein each group is substituted by with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom[[)]; R<sup>2</sup> is a phenyl or heteroaryl group (each of which is optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C<sub>1-3</sub>alkylcarbamoyl, N,N-di-C<sub>1-3</sub>alkylcarbamoyl, sulfamoyl, N-C<sub>1-3</sub>alkylsulfamoyl, and N,N-di-C<sub>1-3</sub>alkylsulfamoyl); or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

4. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R1 is selected from ethyl, propyl, cyclopentyl, cyclopentyl, cyclopentylmethyl, and cyclohexylmethyl, [[(]]wherein each group is substituted by with 1 or 2 hydroxy groups provided that there is no more than one hydroxy group on the same carbon atom[[)]]; R<sup>2</sup> is selected from phenyl, pyridyl, oxadiazolyl, oxazolyl, thiazolyl, and thienyl, [[(]]each of which group is optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C<sub>1-3</sub>alkylcarbamoyl, sulfamoyl, and N-C<sub>1</sub>. 3alkylsulfamoyi[[)]]; m is 1: and R<sup>3</sup> is chloro:

or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

5. (currently amended) A compound of the formula (1) as claimed in claim 1, wherein: R<sup>1</sup> is selected from 2-hydroxyethyl, 2,3-dihydroxypropyl, 3,4-dihydroxycyclopentyl, and 3,4dihydroxycyclopentylmethyl;

R<sup>2</sup> is phenyl optionally substituted by with 1 or 2 substituents independently selected from halo, cyano, trifluoromethyl, carbamoyl, N-C1-3alkylcarbamoyl, sulfamoyl, and N-C<sub>1-3</sub>alkylsulfamoyl;

m is 1 or 2; and

R<sup>3</sup> is hydrogen or halo:

or a pharmaceutically[[-]] acceptable salt or in-vivo hydrolysable ester thereof.

- 6. (currently amended) A process for preparing a compound of formula (1), as defined in claim 1 or a pharmaceutically[[-]] acceptable salt or an in\_vivo hydrolysable ester thereof, which process comprises:
- a) reacting an acid of the formula (2)[[:]]

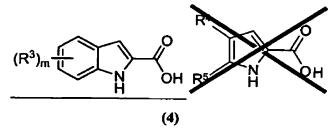
$$(R^3)_m \stackrel{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{I}}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}}{\overset{\text{II}}{\overset{\text{II}}}{\overset{\text{II}}}}{\overset{\text$$

or an activated derivative thereof; with an amine of formula (3)[[:]]

HNR<sup>1</sup>R<sup>2</sup>

(3); or

b) reacting an acid of the formula (4)[[:]]



or an activated derivative thereof; with an amine of formula (5)[[:]]

H<sub>2</sub>NCH<sub>2</sub>CONR<sup>1</sup>R<sup>2</sup> [[:]]

**(5)** 

wherein R<sup>1</sup>, R<sup>2</sup>, R<sup>4</sup>, and R<sup>5</sup> are, unless otherwise specified, as defined in claim 1; wherein any functional groups are optionally protected; and thereafter if necessary[[:]]

- i) converting a compound of the formula (1) into another compound of the formula (1);
- ii) removing any protecting groups; or
- iii) forming a pharmaceutically acceptable salt or in-vivo hydrolysable ester.

7. (currently amended) A pharmaceutical composition comprising a compound of the formula (1) as claimed in any one of claims 1, to 5 or a pharmaceutically[[-]] acceptable salt or in\_vivo hydrolysable ester thereof and a pharmaceutically[[-]] acceptable diluent or carrier.

## 8-11. (canceled)

- 12. (currently amended) A method of treating type 2 diabetes, insulin resistance, syndrome X, hyperinsulinaemia, hyperglucagonaemia, cardiac ischaemia, or obesity in a warm-blooded animal, such as man, in need of such treatment, which comprises comprising administering to said animal an effective amount of a compound of formula (1) as claimed in any one of claims 1-to-5.
- 13. (currently amendded) A method of treating type 2 diabetes in a warm-blooded animal, such as man, in need of such treatment, which comprises comprising administering to said animal an effective amount of a compound of formula (1) as claimed in any one of claims 1 to 5.